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**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

FILE: B-204105

DATE: August 6, 1981

MATTER OF: Jacobs & Son Painting and Decorating

**DIGEST:**

Protest alleging that agency failed to determine that termination for convenience was in best interest of Government and did not consider contractor's small business status will be dismissed, since GAO reviews terminations for convenience only when based on agency determination that initial award was improper.

Jacobs & Son Painting and Decorating protests the Air Force's termination of its \$90,000 contract under invitation for bids No. F04699-80-B0071. According to Jacobs, the contract for painting unoccupied housing at McClellan Air Force Base, California, had been substantially performed, with items totaling approximately \$35,000 remaining. This work, Jacobs alleges, will be completed at a cost of \$54,500 by a new family housing maintenance service contractor whose award, under contract No. F0499-81-D0037, totals more than \$1,188,600.

Jacobs alleges that the Air Force did not make the requisite determination that the termination was in the best interest of the Government; that the termination actually was not in the best interest of the Government, since it will cost an additional \$19,500 to have the new contractor perform the work in question; and that proper consideration was not given to the fact that Jacobs is a small business, as required by Defense Acquisition Regulation § 8-201(c) (1976 ed.).

As a general rule, our Office will not review an agency's decision to terminate a contract for the convenience of the Government, since this is a matter for

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consideration by contract appeals boards, rather than under our Bid Protest Procedures, 4 C.F.R. Part 21 (1981). The only exception to this rule is when the contracting agency's action is based upon a determination that the terminated contract was improperly awarded. Advanced Energy Control Systems, Inc., B-201249, May 20, 1981, 81-1 CPD 392.

There does not appear to be any question as to whether Jacob's initial contract was properly awarded. The protest is therefore dismissed.

*For* *J. H. Barclay, Jr.*  
Harry R. Van Cleve  
Acting General Counsel